

IRS News Release

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IRS Postpones Taxpayer Deadlines in Areas Hit Hardest by Katrina

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WASHINGTON — The Internal Revenue Service is postponing taxpayer filing and payment deadlines for affected taxpayers hit hardest by Hurricane Katrina.

Individual and business taxpayers in the most severely damaged parishes and counties of Louisiana and Mississippi automatically have through Aug. 28, 2006, to file returns and make certain tax payments that had a due date or extended due date on or after Aug. 29, 2005, and on or before Aug. 28, 2006. In addition, the failure to deposit penalty will be waived for taxpayers in these areas who are unable to make their deposits during this time period.

The automatic postponement applies to taxpayers in the following Louisiana parishes: Cameron, Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, and St. Tammany.

The postponement also applies automatically to taxpayers in the following Mississippi counties: Hancock, Harrison and Jackson.

To ensure taxpayers outside the above areas who suffered severe hurricane damage get necessary relief from filing and payment deadlines, these taxpayers must identify themselves as impacted. (See attached list of parishes and counties under "Disaster Areas Eligible for Additional Relief by Self-Identification.") These taxpayers should identify themselves by writing "Hurricane Katrina" in red ink at the top of the return when filing, or by calling the IRS Disaster hotline at 1-866-562-5227.

Individual, corporation, partnership, estate, trust, S-corporation, generation-skipping, employment and certain excise tax returns qualify for the extension.

TECHNICAL DETAILS

Under section 7508A, the IRS is granting affected taxpayers through Aug. 28, 2006, to file most tax returns (including individual, corporate, and estate and trust income tax returns; partnership returns, S corporation returns, and trust returns; estate, gift, and generation-skipping transfer tax returns; and employment and certain excise tax returns), and to make tax payments, including estimated tax payments, that have either an original or extended due date falling on or after Aug. 29, 2005 and on or before Aug. 28, 2006.

The IRS also gives affected taxpayers through Aug. 28, 2006, to perform other time-sensitive actions described in Treas. Reg. § 301.7508A-1(c)(1) and Rev. Proc. 2005-27, 2005-20 I.R.B. 1050, that are due to be performed on or after Aug. 29, 2005, and on or before Aug. 28, 2006. This relief includes the filing of Form 5500 series returns, in the manner described in section 8 of Rev. Proc. 2005-27. The relief described in section 17 of Rev. Proc. 2005-27, pertaining to like-kind exchanges of property, also applies to certain taxpayers who are not otherwise affected taxpayers and may include acts required to be performed before or after the period above.

The postponement of time to file and pay does not apply to information returns in the W-2, 1098, 1099 or 5498 series, or to Forms 1042-S or 8027. Penalties for failure to timely file information returns can be waived under existing reasonable cause procedures. Likewise, the postponement does not apply to employment and excise tax deposits. The IRS, however, will abate penalties for failure to make timely employment and excise deposits, due on or after Aug. 29, 2005, and on or before Aug. 28, 2006, provided the taxpayer made these deposits by Aug. 28, 2006.

Legal guidance is available in IRS Notice 2006-20.

IRS Designated Disaster Areas for Automatic Extended Relief through Aug. 28, 2006

Louisiana Parishes

Cameron
Jefferson
Orleans
Plaquemines
St. Bernard
St. Charles
St. Tammany

Mississippi Counties

Hancock
Harrison
Jackson

Disaster Areas Eligible for Additional Relief by Self-Identification

Alabama Counties

Baldwin
Choctaw
Clarke
Greene
Hale
Marengo
Mobile
Pickens
Sumter
Tuscaloosa
Washington

Louisiana Parishes

Acadia
Ascension
Assumption
Calcasieu
East Baton Rouge
East Feliciana
Iberia
Iberville
Jefferson Davis
Lafayette
Lafourche
Livingston
Pointe Coupee
St. Helena
St. James
St. John
St. Mary
St. Martin
Tangipahoa
Terrebonne
Vermilion
Washington
West Baton Rouge
West Feliciana

Mississippi Counties

Adams
Amite
Attala

Claiborne
Choctaw
Clarke
Copiah
Covington
Franklin
Forrest
George
Greene
Hinds
Holmes
Humphreys
Jasper
Jefferson
Jefferson Davis
Jones
Kemper
Lamar
Lauderdale
Lawrence
Leake
Lincoln
Lowndes
Madison
Marion
Neshoba
Newton
Noxubee
Oktibbeha
Pearl River
Perry
Pike
Rankin
Scott
Simpson
Smith
Stone
Walthall
Warren
Wayne
Wilkinson
Winston
Yazo